HOUSE OF REPRESENTATIVES THIRTIETH LEGISLATURE, 2019 STATE OF HAWAII

H.B. NO. 261

A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUGS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Chapter 431R, Hawaii Revised Statutes, is
amended by adding a new section to be appropriately designated
and to read as follows:

4 "§431R-Mandatory notification of prescription drug 5 price increases. (a) A manufacturer of a prescription drug 6 with a wholesale acquisition cost of more than \$40 for a course 7 of therapy shall notify each prescription drug benefit plan and 8 pharmacy benefit manager of any planned price increase if that 9 increase will result in a sixteen per cent or more increase in 10 the wholesale acquisition cost of the prescription drug over any 11 two-year period. 12 (b) The notice required by subsection (a) shall:

13 (1) Be provided in writing at least sixty days prior to
14 the planned effective date of the price increase; and
15 (2) Include:

(A) The date the price increase shall take effect;



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1	<u>(B)</u>	The current wholesale acquisition cost of the
2		prescription drug;
3	<u>(C)</u>	The dollar amount of the future price increase in
4		the wholesale acquisition cost of the
5		prescription drug; and
6	<u>(D)</u>	A statement regarding whether a change or
7		improvement in the drug necessitates the price
8		increase, and if so, a description of the change
9	<u>1</u>	or improvement.
10	(c) The	insurance commissioner shall post on the website
11	of the department of commerce and consumer affairs the names and	
12	addresses of the prescription drug benefit plans and pharmacy	
13	benefit managers required to receive notice pursuant to this	
14	section."	
15	SECTION 2. Section 431R-1, Hawaii Revised Statutes, is	
16	amended by adding a new definition to be appropriately inserted	
17	and to read as follows:	
18	""Course of therapy" means:	
19	<u>(1)</u> <u>The</u>	recommended daily dosage units of a prescription
20	drug	for thirty days, pursuant to its prescribing



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1	label as approved by the federal Food and Drug		
2	Administration; or		
3	(2) The recommended daily dosage units of a prescription		
4	drug pursuant to its prescribing label for a normal		
5	course of treatment that is less than thirty days, as		
6	approved by the federal Food and Drug Administration."		
7	SECTION 3. Section 431R-4, Hawaii Revised Statutes, is		
8	amended by amending subsection (a) to read as follows:		
9	"(a) No later than March 31 of each calendar year, each		
10	prescription drug benefit plan, health benefits plan under		
11	chapter 87A, and pharmacy benefit manager shall file with the		
12	insurance commissioner, in [such] <u>a</u> form and detail as the		
13	insurance commissioner shall prescribe, a report for the		
14	preceding calendar year stating that the pharmacy benefit		
15	manager or prescription drug benefit plan is in compliance with		
16	this chapter. The report shall fully disclose the amount,		
17	terms, and conditions relating to copayments, reimbursement		
18	options, and other payments associated with a prescription drug		
19	benefit plan. Each report shall disclose an address that will		
20	be posted on a public website for purposes of receiving		
21	notifications pursuant to section 431R"		



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SECTION 4. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect on January 1, 2020.

INTRODUCED BY:

JAN 1 8 2019



H.B. NO. 267

Report Title:

Department of Commerce and Consumer Affairs; Prescription Drugs; Price Increases; Notification; Insurance Commissioner

Description:

Requires that if a proposed increase in the wholesale price of certain drugs would result in a 16% or more price increase over a 2-year period, the drug manufacturer shall notify various drug insurance providers.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

